

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7625

BILL NUMBER: HB 1453

NOTE PREPARED: May 3, 2005

BILL AMENDED: Apr 28, 2005

SUBJECT: Professional fundraisers and solicitors and professional employer organizations.

FIRST AUTHOR: Rep. Richardson

FIRST SPONSOR: Sen. Clark

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill defines "bona fide employee" for purposes of regulating professional fundraisers. This bill also requires a professional solicitor to provide certain information to charitable organizations. The bill allows the Attorney General to seek remedies against nonprofit corporations and benevolent trusts for certain violations. The bill also provides that venue in a proceeding by the Attorney General against a trust lies in Marion County, unless venue in Marion County would constitute a hardship. This bill requires registration and regulation by the Department of Insurance of a Professional Employer Organization. It also specifies certain requirements for conduct with respect to functions of a professional employer organization.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill will have an indeterminable administrative cost impact on the Attorney General's Office (AG) and the Department of Insurance (DOI).

The bill requires that a Professional Employer Organization (PEO) register with the DOI. The bill also requires that the DOI maintain a list of PEO's that are registered. The administrative cost burden on the DOI is estimated to be offset by the filing fees required by the bill. The bill requires that PEO's domiciled in Indiana pay an initial registration fee of not more than \$500 and an annual renewal fee of not more than \$250. A PEO that is domiciled outside Indiana may pay a limited annual registration fee of \$250. The ultimate impact of the fees will be determined by administrative actions of the DOI.

This bill allows the AG to seek remedies against nonprofit corporations and benevolent trusts for violations

of the following:

- (1) If the AG establishes a condition enumerated in section 24-17-24-1(a)(1) of this chapter, against a corporation.
- (2) For a violation of the officer's duties under IC 23-17-14-2, a corporate officer.
- (3) For a violation of IC 23-17-13, a corporate director.

This bill also provides that venue for these actions lies in Marion County, unless venue in Marion County would constitute a hardship.

The administrative cost impact to the AG will depend upon the number of actions initiated.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. In FY 2004 the AG reverted \$7,235, and as of December 27, 2004 had 43 vacant positions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: The bill requires that PEO's domiciled in Indiana pay an initial registration fee of not more than \$500 and an annual renewal fee of not more than \$250. A PEO that is domiciled outside Indiana may pay a limited annual registration fee of \$250. The ultimate impact of the fees will be determined by administrative actions of the DOI.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General's Office; Department of Insurance.

Local Agencies Affected:

Information Sources:

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